

City of Alexandria, Virginia

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9-24-02

MEMORANDUM

DATE: SEPTEMBER 18, 2002

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER ^{PS}

SUBJECT: CONSIDERATION OF HOUSING TRUST FUND BUDGET
ALLOCATIONS FOR FY 2003

ISSUE: City Council consideration of proposed Housing Trust Fund budget allocations for FY 2003.

RECOMMENDATION: That City Council approve the following new Housing Trust Fund allocations for FY 2003: (a) \$51,500 for the Employer Assisted Housing (EAH) program; and (b) \$104,100 for homeownership counseling. The Affordable Housing Advisory Committee (AHAC) has approved these allocations.¹

DISCUSSION: In response to recommendations made by the Affordable Housing Task Force, the City developed several new affordable housing initiatives beginning in FY 2002 that will carry over into FY 2003. To fund one of these new initiatives and to continue the existing Homeownership Counseling Program currently supported by the Housing Trust Fund (HTF), staff recommends new allocations of \$155,600 in FY 2003 to augment \$61,500 in FY 2002 previously allocated funds carried over for use in FY 2003. These new HTF allocations did not appear in the regular FY03 budget that City Council adopted in May 2002 because the funding source (existing HTF revenues) is not new FY03 monies. Housing and OMB staff will work to ensure that new allocations of existing HTF monies are included in future proposed budgets.

The following table details the proposed Housing Trust Fund allocations for each of these activities.

Program/Activity	FY 2002 Allocated Monies Not Yet Spent	FY 2003 Proposed Allocation	Total Funds Available for FY 2003
Employer Assisted Housing	\$61,500	\$51,500	\$113,000
Homeownership Counseling	\$0	\$104,100	\$104,100
TOTAL	\$61,500	\$155,600	\$217,100

¹ In the version approved by AHAC, \$11,500 for EAH counseling was included in the Homeownership Counseling budget. Staff has moved those funds to the EAH allocation for consistency with the previous (FY02) allocation.

Staff recommends a new allocation of \$51,500 for the Employer Assisted Housing (EAH) Program, which will provide downpayment and closing cost assistance that matches employer contributions (on a 1:2 basis) to persons working in the City who are ineligible for the City's regular homeownership programs for non-income reasons. The program also provides homeownership counseling to employees of EAH employers at their work site or at a site and time convenient to the employer. The EAH Program will begin during FY03, and the new allocation will be added to \$61,500 in previously allocated, unspent funds.

Staff recommends a new allocation of \$104,100 for the City's Homeownership Counseling Program, which provides group and individual counseling on the homebuying process for participants in both the Moderate Income Homeownership Program (MIHP) and the federally-funded Homeownership Assistance Program (HAP).

This memorandum does not include a new allocation of \$400,000 in HTF monies for housing development assistance in the Housing Opportunities Fund (HOF), the new name of the fund Council established in FY02 to support affordable housing development in the City, because this allocation was discussed in the FY03 budget document approved by City Council.

In addition, staff is not recommending an additional allocation for the Moderate Income Homeownership Program or the Rental Accessibility Modification Program mini-grants because the funds remaining from prior years are sufficient for anticipated FY03 needs.

FISCAL IMPACT: Allocation of \$155,600 in Housing Trust Funds to the specific programs outlined above.

STAFF:

Mark Jinks, Assistant City Manager for Fiscal and Financial Affairs

Mildrilyn Stephens Davis, Director, Office of Housing

Robert Eiffert, Deputy Director, Office of Housing

Carol Moore, Acting Deputy Director, OMB

Paul Doku, Budget/Management Analyst, OMB